

EXHIBIT E

Project Supplement C to Agreement Number 4998CR0349
Version 0.2-3 May-26 August 2, 1999

1 Purpose

Project Supplement C (hereinafter Supplement C) is intended to define the technology (Licensed SCO Materials) licensed from SCO to IBM in support of the "UnixWare Compatible AIX Operating System Product (AIXUW)" as contemplated in Agreement Number 4998CR0349 with an effective date of October 23, 1998 between SCO and IBM (the "Agreement").

2 Revision History and distribution.

Version 0.1, 14 May 1999, issued for SCO internal review.

Version 0.2, 26 May 1999, issued for IBM review.

Version 0.3, 2 August 1999, issued for IBM review.

3 Structure of Supplement C

Supplement C is in two parts. The first part is general in nature and concentrates on the overall scope of the work covered by Supplement C; the second part (Attachment 1 to Supplement C) gives specific details for each of the Licensed SCO Materials covered by Supplement C.

4 Technical Management Representatives and Other Contacts

The Technical Manager contacts for Project Supplement C are:

- Betty Courte, Director, Program and Platform Services, SCO, 908-790-2300, evcourte@sco.com
- David Higgins, Monterey Program Manager, IBM, 512-838-1637, dwh@us.ibm.com

IBM and SCO may each appoint a Program Manager to represent the Technical Management Representatives and to manage the Deliverables and other procedures prescribed in Supplement C.

5 Scope of the work

The scope of the work described in Supplement C is to manage the delivery of existing UnixWare 7 technology from SCO to IBM and the acceptance of that technology by IBM. Some consulting by SCO is expected to accomplish this delivery. After the delivery is completed, all development work on the AIXUW product is an IBM responsibility unless specifically agreed to by the parties pursuant to Section 9 of Supplement C.

6 Product Roadmap

~~A-IBM agrees that it will provide updates of its Product Roadmap for the AIXUW Product to SCO on a semi-annual basis, will be agreed to no later than the time period associated with execution of this Project Supplement C and will be attached hereto as Attachment 2. Any modifications to the Product Roadmap shall be handled in accordance with the Project Management process described in Section 8 below. The parties agree to commit the necessary resources to execute the agreed-to Product Roadmap.~~

7 Deliverables

7.1 Required Content of each Deliverable

In general terms, each Deliverable from SCO to IBM will contain the materials described in Attachment 1 to Supplement C. For example, each Deliverable may include, but is not limited to, Code to be ported and if available any user Documentation to be ported and test suites to be used for verification. Each Deliverable is described in a section of Attachment 1.

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7.2 Technologies covered by Supplement C

The following technologies, are covered by Supplement C:

bootfs
/proc
curses library
targeted UW7 source compatibility, including SVR5 command/libs, shared files, makefiles, archive formats
UDI
multipath I/O
subsystem licensing
namefs
SVR4/5 print subsystem
USB
PSM
truss

Additional technologies will be covered either in an amendment to Supplement C or in a subsequent supplement.

7.3 Licensing of deliverables

Unless specifically noted otherwise in Attachment 1, all Deliverables are licensed solely for IBM's use in adding UnixWare compatible functionality to its AIX operating system where "AIX" shall mean the UNIX-based operating system for the Power PC architecture, currently marketed by IBM under the name "AIX", and all current and/or future Enhancements, marketed, licensed or otherwise distributed by IBM to third parties, with or without IBM's names or logos. Such Deliverables may also be incorporated in IBM's OS/400 and OS/390 operating systems and any IBM middleware or applications that operate on AIX, OS/400, OS/390, or UnixWare 7.

7.4 Maintenance Modifications and Support for Licensed SCO Materials

Except as stated below, IBM is responsible for continued maintenance of the Licensed SCO Materials, including, but not limited to, all end-user support. SCO shall have no obligations to provide support to IBM or IBM's end-users for Code licensed under Supplement C.

SCO will license to IBM updates of the source files described in Attachment 1, if IBM has integrated that technology into the AIXUW product, subject to any licensing restrictions introduced in the updated file. The intent of delivering updates of the source files is to provide Maintenance Modifications, although these updated files may also contain Enhancements. SCO will deliver these updated files to IBM within 30 days of general availability of a new modification level of UnixWare 7, or will do so annually if no such modification levels are planned on UnixWare 7 while UnixWare 7 is marketed by SCO and the Agreement is in effect. Such Maintenance Modifications/Enhancements shall be considered Licensed SCO Materials upon delivery to IBM.

8 Project Management

The Technical Managers or their designated representatives will meet as necessary by telephone or in person to review the following agenda items. These reviews will include, as a minimum: Milestone Status, Open Issues, Change Control Items, and any requirement for escalation to the Project Managers. Minutes will be distributed at least to document any decisions made or milestones completed or changed. Between these meetings, email is the official means of communicating Supplement C information.

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When project reviews are held with the SCO and IBM Project Managers, AIXUW project issues will be included as an agenda item with the IA-64 Joint Development Project.

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9 Delivery and Acceptance Schedule

SCO will deliver all the items identified by technology area in Attachment 1 within 30 days of the signing of Supplement C. IBM will have 45 days from the receipt of the Deliverables to determine their completeness and readability. The IBM AIXUW Program Manager will notify the SCO AIXUW Program Manager, via email, of the accepted Deliverables. Should IBM identify additional Code or other Deliverables required to license the technology IBM will furnish a written request for such Deliverables to SCO, SCO will have 30 days from the receipt of such request to determine applicability to the technology, its rights to make delivery to IBM, and make the delivery as appropriate.

10 Consulting by SCO

10.1 Consulting during the acceptance period

During the acceptance period for the Deliverables, IBM will be entitled to 8 hours of consulting for each of the technologies identified in Attachment 1, free of charge. This consulting may be related to the acceptance of the Deliverables, porting of the Deliverables, or in the preparation of a request for additional consulting after the acceptance period ends.

10.2 Consulting after the acceptance period

Consulting after the acceptance period will be on a time and materials basis at the same rate stipulated in Section 5.1 of the Agreement for IBM consultation to SCO. IBM must make a written request to SCO within 30 days of IBM's acceptance of the technology deliverables for any additional consulting requirements needed to port the technology to the AIXUW Product. The request should indicate the type of consulting or development/porting support required by IBM and be submitted to the SCO AIXUW Program Manager as described in section 10.3. SCO will reasonably consider requests for additional consulting requirements received from IBM after the above-referenced 30 day time period.

10.3 Consulting Commitment and Reimbursement

SCO and IBM shall each appoint an AIXUW Program Management person who will be the focal point for consultation requests and the associated reimbursement activities. SCO will commence support within (30) days of receipt of IBM's written notification or will notify IBM that it is not able to commence support within (30) days and discuss with IBM the best way to deal with the issue. If the actual effort exceeds the estimated effort by 10% then SCO will notify IBM of this event and will discuss with IBM the best way to deal with this issue. The SCO AIXUW Program Management person will then activate the requested consulting. An SCO report of time activity will be generated and an itemized bill will be sent to IBM on a quarterly basis. IBM will provide SCO with a valid Purchase Order # for the bill. The bill will be generated by SCO and sent to IBM's AIXUW Program Management person within 30 days of the end of the previous quarter. IBM will remit payment within thirty (30) days after receipt of an invoice from SCO.

The initial AIXUW Program Management person for each party is as follows:

For IBM:	Ron St. Pierre
For SCO:	Andy Nagle

The parties may change their AIXUW Program Management person by written notice to the other party.

11 Copyright Notices

Any copyright notices (SCO or third party) contained in the SCO Deliverables must remain in tact in the Code when distributed by IBM.

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12 Attachments

Attachment 1 – Details of each Deliverable as prescribed by section 7.2 above.

Attachment 2 – Product Roadmap covering plans for inclusion of UnixWare 7 technology in the AIXUW Product.

THE PARTIES ACKNOWLEDGE THAT EACH HAS READ THIS PROJECT SUPPLEMENT C, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE PARTIES AGREE THAT THIS PROJECT SUPPLEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, WHICH SUPERSEDES ALL PROPOSALS OR ALL PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF.

Accepted and Agreed:
International Business
Machines Corporation

The Santa Cruz Operation, Inc.

By: _____

By: _____

Haig D. McNamee
print or type

print or type

Title: SW Contracts Account Mgr.

Title: _____

Date: _____

Date: _____